

STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION

IN THE MATTER OF DETERMINING  
Whether there has been a violation of the  
Escrow Agent Registration Act by:

Staci D. McFadden,

Respondent.

Order No.: S-04-198-04-SC01

STATEMENT OF CHARGES AND  
NOTICE OF INTENT TO ENTER  
ORDER TO CEASE AND DESIST AND  
TO PROHIBIT PARTICIPATION IN THE  
ESCROW INDUSTRY

THE STATE OF WASHINGTON TO:

Staci D. McFadden

**STATEMENT OF CHARGES**

Please take notice that the Department of Financial Institutions of the State of Washington ("Department") has reason to believe that the Respondent, Staci D. McFadden, has violated the Escrow Agent Registration Act and that her violations justify the Department in entering an order under RCW 18.44.410, RCW 18.44.430, and RCW 18.44.440 to cease and desist from such violations and to prohibit her from participation in the escrow industry. The Department finds as follows:

**TENTATIVE FINDINGS OF FACT**

**RESPONDENT**

1. Staci D. McFadden ("McFadden") was an employee of Priority Escrow, Inc. ("Priority Escrow") between at least June and August 2001. During this time, Priority Escrow was located at 5611 196th Street SW, Lynnwood, Washington 98036, and was licensed as an escrow agent with the Department.

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360-902-8760

1 **NATURE OF CONDUCT**

2 2. In the summer of 2001, Priority Escrow was in the process of closing its escrow office.  
3 At the time, McFadden worked as a bookkeeper for Priority Escrow, which held clients funds  
4 in various escrow trust accounts. In the course of her employment, McFadden was assigned the  
5 responsibility of going through Priority Escrow's records and identifying the proper recipients  
6 of funds that were remaining in the trust accounts. Between June and August 2001, McFadden  
7 forged the signature of Priority Escrow's owner, and wrote checks out to herself, her boyfriend,  
8 and a female friend.  
9

10 3. When questioned by the Lynnwood Police Department in September 2001, McFadden  
11 admitted that she "wrote checks to myself from the Escrow Account" of Priority Escrow. On  
12 or about November 26, 2002, McFadden was charged with one count of First Degree Theft,  
13 RCW 9A.56.030(1)(a). On or about December 30, 2002, McFadden stated in a written  
14 declaration: "I did commit First Degree Theft against Priority Escrow as charged[.]"  
15 McFadden added: "Using Priority Escrow bank checks, I made out checks to [McFadden's  
16 boyfriend]. I then asked [McFadden's boyfriend] to cash these checks and give me the money. .  
17 . . I used the money for rent and living expenses as I was unemployed at the time."  
18

19 **THEFT CONVICTION**

20 4. On or about March 20, 2003, in Snohomish County Cause No. 02-1-02545-0,  
21 McFadden pleaded guilty to one count of First Degree Theft. McFadden was sentenced to two  
22 months confinement and was ordered to pay approximately \$10,000 in restitution.  
23

24 Based upon the Tentative Findings of Fact, the following Conclusions of Law are  
25 made:

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1 **CONCLUSIONS OF LAW**

2 1. The conduct described in the above Tentative Findings of Fact is in violation of  
3 RCW 18.44.301(1) because McFadden employed a scheme to defraud Priority Escrow and  
4 its clients.

5 2. The conduct described in the above Tentative Findings of Fact is in violation of  
6 RCW 18.44.301(2) because McFadden engaged in an unfair or deceptive practice toward  
7 Priority Escrow and its clients.  
8

9 3. The conduct described in the above Tentative Findings of Fact is in violation of  
10 RCW 18.44.301(3) because McFadden obtained property by fraud or misrepresentation.

11 4. The Department finds and concludes that the violations of the Escrow Agent  
12 Registration Act described above constitute grounds for prohibiting McFadden from  
13 participating in the escrow industry under RCW 18.44.410, RCW 18.44.430, and 18.44.440.  
14

15 **NOTICE OF INTENT TO ENTER ORDER TO CEASE AND DESIST**

16 Pursuant to RCW 18.44.410 and RCW 18.44.440, and based on above Tentative  
17 Findings of Fact and Conclusions of Law, the Department intends to ORDER that:

18 1. Staci D. McFadden cease and desist from violations of RCW 18.44.301(1), which  
19 prohibits schemes to defraud any person.

20 2. Staci D. McFadden cease and desist from violations of RCW 18.44.301(2), which  
21 prohibits unfair or deceptive practices.

22 3. Staci D. McFadden cease and desist from violations of RCW 18.44.301(3), which  
23 prohibits obtaining property by fraud or misrepresentation.  
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Approved by:



Martin Cordell  
Chief of Enforcement

Presented by:



Robert Kondrat  
Financial Legal Examiner

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